

Office of the
Legislative Fiscal Analyst

FY 2004 Budget Recommendations

Joint Appropriations Subcommittee for
Executive Offices and Criminal Justice

State Auditor

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1.0 State Auditor

Summary

State Auditor is the elected, independent auditor of the State. The primary statutory responsibilities of the State Auditor are:

1. To perform financial and compliance audits of State agencies, departments, colleges and universities, and quasi-state entities on a regular basis; and
2. To monitor local government's and applicable nonprofit organization's compliance with State laws including proper financial reporting, accounting, and budgeting.

The mission of the Office of the Utah State Auditor is to help ensure to Utah's citizenry, Legislature, government officials, and other financial information users the financial integrity and accountability of Utah's State and local governments. This is accomplished by providing independent and innovation audits and investigations, and by monitoring, and advising Utah's State and local governments. This has helped Utah in being recognized as having financially strong and well-run State and local governments.

The State Auditor directs and has ultimate responsibility for both the Auditing and Local Government Divisions within his Office. The State Auditor reviews and signs all audit reports, works on significant audit, accounting, and legislative fiscal issues, and performs various other duties related to his Office.

	Analyst FY 2004 Base	Analyst FY 2004 Changes	Analyst FY 2004 Total
Financing			
General Fund	2,634,100	(2,400)	2,631,700
Dedicated Credits Revenue	690,000		690,000
Beginning Nonlapsing			
Closing Nonlapsing			
Total	\$3,324,100	(\$2,400)	\$3,321,700
Programs			
Administration	264,700		264,700
Auditing	2,694,700	(2,400)	2,692,300
State and Local Government	364,700		364,700
Total	\$3,324,100	(\$2,400)	\$3,321,700
FTE/Other			
Total FTE	45.0	0.0	45.0
Vehicles	2.0	0.0	2.0

2.0 Issues: State Auditor

2.1 FY 2004 Budget

The Analyst FY 2004 budget recommendation includes the following items:

- Adjustment for FY 2003 one-time programs;
- Adjustment for December 18, 2002 Special Session reduction
- Adjustment for Retirement Rate reduction; and
- Adjustment for mandated IT Savings reduction from the 2002 General Session.

2.2 Nonlapsing Intent Language

It is the intent of the Legislature that funding for the State Auditor be nonlapsing.

3.1 Administration

Recommendation

The Analyst recommends \$264,700 for the Administration Section.

	2002 Actual	2003 Estimated	2004 Analyst	Est/Analyst Difference
Financing				
General Fund	273,500	276,800	264,300	(12,500)
Beginning Nonlapsing		(1,900)	8,600	10,500
Closing Nonlapsing	1,900	(8,600)	(8,200)	400
Total	\$275,400	\$266,300	\$264,700	(\$1,600)
Expenditures				
Personal Services	267,200	255,700	256,500	800
In-State Travel	200	200	200	
Out of State Travel	5,100	5,100	5,100	
Current Expense	2,900	5,300	2,900	(2,400)
Total	\$275,400	\$266,300	\$264,700	(\$1,600)
FTE/Other				
Total FTE	4.0	4.0	4.0	0.0
*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency.				

The Administration program consists of funding for the personal services and other costs of the State Auditor, his administrative assistant and other office administrative staff. General costs not attributable to other specific programs are also charged to the Administration program.

3.2 Auditing

Recommendation

The Analyst recommends \$2,692,300 for the Auditing Section.

	2002 Actual	2003 Estimated	2004 Analyst	Est/Analyst Difference
Financing				
General Fund	2,189,400	1,990,500	2,000,600	10,100
Dedicated Credits Revenue	702,700	684,000	684,000	
Beginning Nonlapsing	79,600	125,100	(34,800)	(159,900)
Closing Nonlapsing	(125,100)	34,800	42,500	7,700
Total	\$2,846,600	\$2,834,400	\$2,692,300	(\$142,100)
Expenditures				
Personal Services	2,493,400	2,599,800	2,519,400	(80,400)
In-State Travel	12,200	12,300	12,300	
Out of State Travel	9,000	9,000	9,000	
Current Expense	272,600	153,800	102,700	(51,100)
DP Current Expense	59,400	59,500	48,900	(10,600)
Total	\$2,846,600	\$2,834,400	\$2,692,300	(\$142,100)
FTE/Other				
Total FTE	39.0	37.0	37.0	0.0
Vehicles	2.0	2.0	2.0	0.0

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency.

Purpose

The Auditing Division section is responsible for the Single Audit required by the federal government and for statutorily required audits of State agencies. To complete the requirements of the single audit the State Auditor contracts with private CPA firms in addition to their regular staff.

The Single Audit involves an assessment of all federal funds expended on an entity wide basis. The Auditing section determines whether or not the funds were spent in accordance with federal laws and regulations. Weaknesses in spending practices are included in the Findings and Recommendations of the Single Audit. Costs of the Audit whenever possible are assessed back to the agencies and received as dedicated credit revenues by the State Auditor.

3.3 Local Government

Recommendation

The Analyst recommends \$364,700 for the Local Government Section.

	2002 Actual	2003 Estimated	2004 Analyst	Est/Analyst Difference
Financing				
General Fund	382,300	366,800	366,800	
Dedicated Credits Revenue	10,000	6,000	6,000	
Beginning Nonlapsing		16,800	26,200	9,400
Closing Nonlapsing	(16,800)	(26,200)	(34,300)	(8,100)
Total	\$375,500	\$363,400	\$364,700	\$1,300
Expenditures				
Personal Services	355,400	343,300	344,600	1,300
In-State Travel	3,600	3,600	3,600	
Out of State Travel	800	800	800	
Current Expense	15,700	15,700	15,700	
Total	\$375,500	\$363,400	\$364,700	\$1,300
FTE/Other				
Total FTE	4.0	4.0	4.0	0.0
*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency.				

Purpose

The Local Government Division provides consulting services, budget forms, and uniform accounting services to local governments. The division reviews the budgets of local entities to ensure compliance with legal requirements of accounting and budget preparation. In addition to their financial accounting responsibilities, the division annually sponsors a regional training seminar for local officials.

The Local Government Division provides training to CPAs and local government accountants to help improve local government accounting, reporting, and auditing.

The Local Government section has begun scanning all budgets and financial reports received from local governments into electronic form. This provides citizens, research groups, and financial advisors greater accessibility to these documents. Four to five years of information is now available.

4.0 Additional Information: State Auditor**4.1 Funding History**

	2000	2001	2002	2003	2004
Financing	Actual	Actual	Actual	Estimated*	Analyst
General Fund	2,617,600	2,717,200	2,845,200	2,634,100	2,631,700
Dedicated Credits Revenue	624,500	704,800	712,700	690,000	690,000
Beginning Nonlapsing	380,200	262,600	79,600	140,000	
Closing Nonlapsing	(262,600)	(79,600)	(140,000)		
Total	\$3,359,700	\$3,605,000	\$3,497,500	\$3,464,100	\$3,321,700
Programs					
Administration	261,900	269,600	275,400	266,300	264,700
Auditing	2,723,000	2,944,700	2,846,600	2,834,400	2,692,300
State and Local Government	374,800	390,700	375,500	363,400	364,700
Total	\$3,359,700	\$3,605,000	\$3,497,500	\$3,464,100	\$3,321,700
Expenditures					
Personal Services	2,911,800	3,142,700	3,116,000	3,198,800	3,120,500
In-State Travel	20,900	32,900	16,000	16,100	16,100
Out of State Travel	24,600	22,600	14,900	14,900	14,900
Current Expense	307,600	321,300	291,200	174,800	121,300
DP Current Expense	47,300	79,500	59,400	59,500	48,900
DP Capital Outlay	47,500	6,000			
Total	\$3,359,700	\$3,605,000	\$3,497,500	\$3,464,100	\$3,321,700
FTE/Other					
Total FTE	47.0	47.0	47.0	45.0	45.0
Vehicles	0.0	2.0	2.0	2.0	2.0

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency.